

Oregon Clean Vehicle Rebate Program

Meeting Summary Advisory Committee Meeting #2

Jan. 20, 2022, 9:30 a.m. to 11 a.m.
Web-based meeting

Advisory Committee Attendees: Jessi Adams (Community Action Partnership Oregon), Neil Baunsgard (The Environmental Center – Central Oregon), Patrick Connor (Oregon Electric Vehicle Association), Amy Corbett (Metropolitan Family Service), Ingrid Fish (Portland BPS), Rhett Lawrence (Forth Mobility), Sergio Lopez (Verde), Vee Paykar (Climate Solutions), Greg Remensperger (Oregon Auto Dealers Association), Julia Rege (Alliance of Automotive Innovation)



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DEQ is a leader in restoring, maintaining, and enhancing the quality of Oregon's air, land and water.

Time	Topic
9:30	Welcome and introductions
9:40	Oregon Clean Vehicle Rebate Program (OCVRP) rebate amounts <ul style="list-style-type: none">• Program data analysis
10:10	Charge Ahead Rebate implementation <ul style="list-style-type: none">• Communications & Outreach
10:25	Effect of rule on racial equity
10:50	Public comment
10:55	Wrap up and next steps

Meeting Introduction

The meeting began with acknowledgement that this is the second advisory committee meeting and DEQ provided a brief overview of the program and why DEQ is proposing the rules.

OCVRP Rebate Amounts

Rachel Sakata (DEQ) provided a brief presentation on the current rebate statistics, rebate funding amounts, and program budget and projections. A synthesis of the presentation is detailed here.

- As of Jan. 5, 2022, DEQ has awarded 16,477 rebates totaling \$41 million in rebates over the lifetime of the program and 12% of total rebates were Charge Ahead rebates.
- The program receives a fixed \$12 million a year through the ODOT privilege tax; with 10% of that allocated for administrative costs.
 - In 2021, DEQ exceeded previous projections and \$18.1 million in rebates were awarded. This leaves \$2 million remaining in reserve (due to the first program year's minimal distribution) that will be added into next year's budget.
 - For 2022, DEQ estimates there will be about \$12.8 million available for rebates. This amount includes the \$2 million carryover referenced above and subtracts the administration costs. Based on past/current participation rates and the proposed increased Charge Ahead amount, DEQ estimates the program will be oversubscribed by about \$7.3 million.

- As of Jan. 1, 2022, the rebate amounts authorized under Oregon Statute and current rebate amounts are as follows:
 - Charge Ahead: \$2,500-\$5,000 authorized with current rebate amount being \$5,000
 - Standard (EV with battery capacity 10kWh or more): \$1,500-\$2,500 authorized with current rebate amount being \$2,500
 - Standard (EV with battery capacity less than 10kWh): \$750-\$1,500 authorized with current rebate amount being \$1,500
 - Standard (motorcycle): \$375-\$750 authorized with current rebate amount being \$750

Program Data Analysis

Rachel Sakata (DEQ) provided a brief presentation on the data analysis conducted by DEQ of rebate application and survey data. Approved Charge Ahead Rebate applications provide the income, geographic and vehicle information, and the survey data (~40% participation rate) provides the demographic information. The data assessment is a representation of the data, as data analysis is still underway. A synthesis of the presentation is detailed here.

- While Charge Ahead applications have been approved in all geographic regions of Oregon, the majority of applicants have come from larger metropolitan regions such as Portland-Vancouver-Hillsboro, Eugene-Springfield, Salem and Bend-Redmond.
- The rebate participants surveyed primarily identify as white (~82%) and male (~70%).
 - About 5% of survey participants identified as East Asian, 4% as Southeast Asian, and about 1% of participants identified as each of the following racial identities: Black or African American, Middle Eastern or North African, Native American or Pacific Islander or South Asian. Five percent of those surveyed also identified as Hispanic or Latino.
 - About 30% of survey respondents identified as female and 0.5% as non-binary or third gender.
- Of the Charge Ahead applicants, 91% purchase their vehicles and about 60% of those vehicles are used at the time of purchase.
- The majority of all rebate recipients are homeowners (79%), with a higher percentage of Charge Ahead Rebate participants identifying as renters (39%).
- For Charge Ahead rebates, the top three used vehicles rebated are Nissan Leaf, Chevy Bolt and Fiat 500e, while the top three new vehicles rebated are Tesla Model 3, Nissan Leaf and Chevy Bolt. In looking at all vehicles rebated, the top three vehicles are Tesla Model 3, Tesla Model Y and the Nissan Leaf.

Rebate Implementation

Rachel Sakata (DEQ) provided a brief presentation on Charge Ahead eligibility changes with the income requirements that took effect Jan. 1, 2022 and implementation options for the Advisory Committee to consider. A synthesis of the presentation and Advisory Committee discussion is detailed here.

- Previously, income eligibility was based on 120% of the area median income of the nearest metropolitan area. Beginning Jan. 1, 2022, income eligibility is measured in the way for the entire state of Oregon and is set at 400% of the federal poverty guideline. This primarily effects 1, 2 and 3 person households; some of these households that were previously eligible for the Charge Ahead Rebate will no longer be eligible with the new threshold.
- DEQ presented several rebate adjustment options, with the goal of maximizing funding and increasing the number of electric vehicles purchased, prioritizing Charge Ahead Rebate participation and accessibility. The options offered include:
 1. Decrease rebate amount for Standard rebates while maintaining the maximum amount for Charge Ahead rebates (\$5000)
 - Option 1a: Adjust Standard rebate amount based on range and battery capacity
 - Battery capacity > 10 kWh + high driving range = \$2500

- Battery capacity > 10kWh + low driving range = \$1500
 - Examples of those vehicles that would have a decreased rebate amount include Toyota RAV4 Prime, Toyota Prius Prime, Chrysler Pacifica Hybrid, Subaru Crosstrek Hybrid PHEV, Hyundai Ioniq PHEV and the Kia Niro PHEV
 - This option may encourage people to consider higher range vehicles, but it is more difficult to implement due to the additional tracking.
 - One committee member inquired whether the rebate amount could be linked to vehicle miles travelled (VMTs). While this is not allowed within statute, another committee member noted that based on their experience working with lower income families, many do not live closer to work, so increasing the participation rate for Charge Ahead Rebates would also likely increase the VMTs in electrical vehicles.
 - One committee member preferred this option to Option 1b, as it encourages the purchase of higher range vehicles.
 - Option 1b: Decrease all standard rebates by a set amount, such as \$500
 - This option is easier to implement and provide more of an impact financially to the program, as it would effect all vehicles, including those rebated the most.
 - Many committee members support decreasing the Standard Rebate amount and/or exploring this option more fully to allow for more potential Charge Ahead applicants. One committee member noted that Option 1b would make the biggest budget impact.
 - There was also an interest in considering a budget increase for the program. DEQ shared that the Agency recognized the need for increased funding and is looking into this for a future legislative session. It was also shared that the budget for this program comes out of the ODOT privilege tax, which varies based on vehicle sales. OCVRP receives a set amount, \$12 million, the rest goes toward ODOT multi-modal projects. One committee member shared concern that if the program goes into a wait list because of funding being oversubscribed, it could be detrimental to EV adoption and vehicle sales.
2. Return the rebate amounts to 2021 levels (Standard: \$750-\$2500; Charge Ahead rebate: \$2500)
 - This option was not discussed by the Advisory Committee and most committee members expressed an interest in keeping the Charge Ahead rebate at the current amount (\$5,000).
 3. Limit the number of rebates per household or entity
 - This is a method other states use to limit expenditures and increase the number of people able to participate in the program.
 - One committee member inquired about the number of people that have applied for multiple rebates. DEQ did not have the exact number, but noted that few people have applied for multiple rebates, but that could change as the program no longer has a sunset date.
 - Another committee member noted that California limits the number of rebates by driver's license and noted that a per/person cap may be more equitable for those living in multiple person households.
 - Several committee members either supported this option, or expressed interest in learning more in consideration of supporting this option

Communications & Outreach

DEQ shared that a request for proposal is planned to be released in Spring 2022. The focus of this work would be to focus on outreach to low- and moderate-income households, BIPOC communities and to residents in rural parts of the state. The survey and application data analysis has helped to recognize some of the gaps.

The committee members shared a few considerations:

- A train the trainer model could be helpful in working with community based organizations.
- DEQ could maximize outreach by coordinating with ODOT and utilities to pair the rebate outreach with charging infrastructure outreach and incentives.
- While low-income housing was initially less interested in engaging in this conversation at the on-set of the program, that may be changing with more grants and funding being available for alternative energy sources.
- Additional ideas included a robust education and outreach budget that would allow for a mix of methods and creativity, such as radio, Facebook, multilingual engagement, dealership outreach and partnering with trusted community members and an interest in a staff position or contract that would focus on getting low-income residents engaged.

Program Implementation

DEQ also shared a plan to implement a pre-qualification process for income verification in partnership with the Department of Revenue, providing Charge Ahead applicants a way to verify eligibility prior to a vehicle purchase and potentially allowing them to apply the rebate at the time of purchase. An interest in partnering with banks to offer low interest loans was also mentioned as a longer-term consideration. Committee members were in favor of a prequalification process as it removes a barrier to participation.

Revisiting the interpretation of MSRP caps was also raised by the committee and presented on by DEQ staff. This would not be a rule change, but a program implementation change. At this time, the vehicle model line must have a model with an MSRP under \$50,000 in order to be considered for eligibility. In many cases, this is the base model, but at this time it is not required that the base model, or the model below the \$50,000 threshold, be available for sale or lease to the public. This new interpretation would not allow a model line if the base model is not available for sale; this may impact one or more frequently rebated vehicles.

One committee member raised a concern that a manufacturer may be starting with a higher end model, rather than a lower end or base model and this would preclude them from the rebate. They also noted this would limit range and capabilities of the vehicles incentivized, as increased battery range is the primary upgrade or cost for electric vehicles, and these longer-range vehicles allow easier transition from a gas-powered vehicle.

Other committee members shared an interest in considering this option, noting it was not the intention of the program to provide rebates for highly priced vehicles, but to have a model available under \$50,000 for sale to Oregon residents.

Effect of Rule on Racial Equity

Under new legislation passed in 2021, any rulemaking must do a review of the effect of the rule on racial equity. The committee addressed elements of racial equity during the discussion of demographics related to rebate recipients. The committee also provided input on how best to increase access to Charge Ahead Rebates through education and outreach, particularly to improve access and information to communities of color and low and moderate income households. The input helps DEQ understand ways to better structure the program and implementation to address racial equity.

Public Comment

- Two public comments were made:
 - One attendee encouraged DEQ to keep outreach and education simple and noted they were supportive of low-income service provider fleets and lower incentives for plug-in hybrid vehicles.
 - Another attendee noted that they were both a dealer and previous applicant. They shared that application paperwork is a barrier and encouraged DEQ to find a way for dealers to be more involved in supporting with the application submissions for rebates.

Wrap Up and Next Steps

- Public comment is scheduled for Feb. 2022.
- Rule adoption consideration is planned for the May 2022 Environmental Quality Commission meeting.

Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.